

## *September 2002 TAX FACTS*

### SUMMARY OF GENERAL FUND REVENUES

	<u>September 2002</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$197,115,671	\$471,544,765
Percent Change	0.2%	(6.4%)
<b>Corporate Income Tax</b>		
Net Collections	\$72,339,942	\$98,684,370
Percent Change	(16.6%)	(11.3%)
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$249,790,525	\$751,202,273
Change	2.5%	1.5%
<b>Total Big Three Tax Types</b>		
Net Collections	\$519,246,138	\$1,321,431,408
Percent Change	(6.5%)	(4.5%)

# TAX FACTS

September 2002

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	September 2002	September 2001	% Change
Gross Collections	\$68,951,388	\$76,443,612	(9.8)
Withholding	174,722,202	169,294,507	3.2
Refunds	(10,677,997)	(13,841,273)	(22.9)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
<b>Net Collections</b>	<b>\$197,115,671</b>	<b>\$196,740,464</b>	<b>0.2</b>
	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% Change</b>
Gross Collections	\$89,775,692	\$100,519,100	(10.7)
Withholding	541,269,757	559,700,886	(3.3)
Refunds	(51,860,921)	(50,933,463)	1.8
Urban Revenue Sharing	(107,639,763)	(105,469,143)	2.1
<b>Net Collections</b>	<b>\$471,544,765</b>	<b>\$503,817,390</b>	<b>(6.4)</b>

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$54,106 in tax liability, refunds for this credit totaled \$251,453. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

### Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	37,711	1,437,746	70,025	103,212	6	38,334	286,247	14,848	200,429	2,524	33	2,191,115
%	1.7	65.6	3.2	4.7	0.0	1.7	13.1	0.7	9.1	0.1	0.0	

The 2,191,115 returns, representing current and prior tax years, filed through September 2002 represents an increase of 6.2% over the September returns filed during the same period of time in 2001. There were 2,101,914 returns filed for 2001 tax year in 2002, a 1.9% increase over current year filings in September 2001 for tax year 2000.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,481,793 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 2.2% decrease in FAGI and a 8.1% decrease in tax liability. More specifically, 42.3% of these filers experienced a decrease in tax liability; on average a decrease of 44.4% with a corresponding average decrease in FAGI of 25.7%. Filers with an increase in tax liability totaled 695,394 or 46.9%, with an average FAGI increase of 26.9% and an average tax liability increase of 48.0%.

### **Average Individual Income Tax Refund**

	Average	Number
2002 CYTD	\$574.10	1,504,677
2001 CYTD	\$635.58	1,331,875
% Change	(9.7%)	13.0%

### **"New" Filers in Calendar Year 2002**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 230,021 "new" returns have been filed thus far in 2002, representing approximately 279,563 persons, not including dependents. The average Federal Adjusted Gross Income for these 230,021 returns is \$19,452, with an average tax liability of \$313. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.4% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.4% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. An additional \$63.8 million in estimated payments came from 1999 tax returns that applied their refunds as a 2000 estimated payment, for an average of \$1,744. Estimated payments received through September 2002 for tax year 2001 were as follows:

09/02	140ES payment	\$ (14,265)	Cumulative	\$336,369,892
09/01	140ES payment	(\$230,979)	Cumulative	\$365,987,917
	Percent change	N/A		(8.1%)
09/02	Average payment	\$571	Cumulative	\$1,479
09/01	Average payment	(\$9,239)	Cumulative	\$1,618
	Percent change	N/A		(8.6%)
09/02	Applied refund	\$51,317	Cumulative	\$67,362,814
09/01	Applied refund	\$41,164	Cumulative	\$63,595,207
	Percent change	24.7%		5.9%
Total 09/02		\$37,053	Cumulative	\$403,732,707
Total 09/01		(\$189,816)	Cumulative	\$429,583,124
	Percent change	N/A		(6.0%)

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2001, which shows a growth rate of 5.0% in withholding payments over the third quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

4 <sup>th</sup> Quarter 2001	(0.3%)	2 <sup>nd</sup> Quarter 2002	(2.8%)
1 <sup>st</sup> Quarter 2002	(3.2%)	3 <sup>rd</sup> Quarter 2002	(3.5%)

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	15,111	\$4,985,358	\$329.92
Calendar Year 2001	14,532	\$4,632,846	\$318.80
% Change	4.0%	7.6%	3.5%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2001:

	September 2002	Calendar Year Total
Check Off	\$32,799	\$3,192,141
Voluntary Donation	\$1,069	\$51,151
Number of Returns	4,183	439,976

### **Contributions on the Individual Income Tax Return**

Through September 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,681	\$178,581	\$16.72
Child Abuse	12,247	\$210,485	\$17.19
Special Olympics	5,457	\$81,336	\$14.90
Neighbors Helping	3,349	\$40,942	\$12.23
AID to Education	493	\$36,153	\$73.33
Domestic Violence Shelter	8,558	\$146,304	\$17.10
Democratic Party	745	\$15,381	\$20.65
Republican Party	563	\$13,608	\$24.17
Libertarian Party	99	\$2,078	\$20.99
Reform Party	9	\$92	\$10.22
Green Party	164	\$2,538	\$15.48
Natural Law	11	\$180	\$16.36

---

---

## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	September 2002	September 2001	% Change
Gross Collections	\$76,944,404	\$96,521,783	(20.3%)
Refunds	(\$4,604,463)	(\$9,744,154)	(52.9%)
Net Collections	<b>\$72,339,942</b>	<b>\$86,747,629</b>	<b>(16.6%)</b>

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$121,218,380	\$134,938,592	(10.2%)
Refunds	(\$22,534,010)	(\$23,699,895)	(4.9%)
Net Collections	<b>\$98,684,370</b>	<b>\$111,238,697</b>	<b>(11.3%)</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

September 2002	\$67,228,286	Calendar Year Total	\$260,626,485
September 2001	<u>\$88,250,137</u>	Calendar Year Total	<u>\$310,618,065</u>
% Change	(23.8%)	% Change	(16.1%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for September 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
September 2002	430	53	65	16	10	0	574	(6.5%)
September 2001	448	60	81	15	9	1	614	
CY 2002	2,002	234	250	58	34	0	2,578	(10.5%)
CY 2001	2,230	255	303	55	37	1	2,881	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>97 &amp; Prior</b>	<b>98</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>98 &amp; Prior</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>
FY 02/03	16.3%	22.5%	11.1%	44.0%	6.1%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

September 2002	(\$95,562)	Calendar Year Total	\$69,579,478
September 2001	<u>\$3,523,987</u>	Calendar Year Total	<u>\$40,347,283</u>
% Change	N/A	% Change	72.5%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through September 2002, 79,240 documents have been received for a fiscal year-end of 2001, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	189	27,378	41,874	284	9,515
%	0.2	34.6	52.8	0.4	12.0

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through September 2001, the Arizona Department of Revenue received 82,853 documents with a fiscal year-end of 2000. Compared to 2001 documents, this represents a 4.4% decrease in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for September 2002 are shown on Table 2, at the end of this report.

---



---

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>September 2002</b>	<b>September 2001</b>	<b>% change</b>
Distribution Base	\$101,996,545	\$99,504,678	2.5
Non shared	197,549,794	194,830,817	1.4
Use Tax	17,062,123	14,464,493	17.9
Education Tax	37,334,826	36,318,442	2.8
Other Revenues	42,225,076	41,602,404	1.5
<b>Total Collections</b>	<b>\$396,168,363</b>	<b>\$386,720,834</b>	<b>2.4</b>

  

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Distribution Base	\$307,511,359	\$302,842,601	1.5
Non shared	598,520,877	591,372,565	1.2
Use Tax	46,620,778	44,555,885	4.6
Education Tax	110,459,612	107,400,441	2.8
Other Revenues	127,118,555	124,537,219	2.1
<b>Total Collections</b>	<b>\$1,190,231,131</b>	<b>\$1,170,708,711</b>	<b>1.7</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>September 2002</b>	<b>September 2001</b>	<b>% change</b>
Retained by State	\$249,790,525	\$243,614,473	2.5
Returned to Counties	41,318,800	40,309,345	2.5
Returned to Cities	25,499,136	24,876,170	2.5
Education Tax	37,334,826	36,318,442	2.8
Other	42,225,076	41,602,404	1.5
<b>Total Collections</b>	<b>\$396,168,363</b>	<b>\$386,720,834</b>	<b>2.4</b>

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Retained by State	\$751,202,273	\$740,344,189	1.5
Returned to Counties	124,572,852	122,702,981	1.5
Returned to Cities	76,877,840	75,723,880	1.5
Education Tax	110,459,611	107,400,441	2.8
Other	127,118,555	124,537,219	2.1
<b>Total Collections</b>	<b>\$1,190,231,131</b>	<b>\$1,170,708,711</b>	<b>1.7</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>September 2002</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5.6	\$229,142	265.0	\$711,621	4.4
Non-Metal Mining/Oil & Gas	3.125%	573,298	2.3	1,899,788	6.9
Utilities	5.6%	30,762,803	2.2	90,748,823	2.9
Communications	5.6%	11,295,560	(3.3)	37,592,612	7.7
Railroads/Aircraft	5.6%	(424,947)	N/A	(2,638,561)	N/A
Private Car/Pipelines	5.6%	35,645	72.9	127,667	43.2
Publishing	5.6%	541,837	(1.1)	1,742,915	3.1
Printing	5.6%	1,585,785	(1.7)	7,995,862	75.3
Restaurants/Bars	5.6%	24,401,692	1.0	75,704,328	2.0
Amusements	5.6%	2,682,115	12.9	8,619,732	1.5
Commercial Lease	0%	20,033	(56.1)	(5,895)	N/A
Rental of Personal Property	5.6%	12,495,432	(10.5)	40,264,373	(9.3)
Contracting	3.75% - 5.6%	47,647,976	(3.8)	146,520,075	(3.7)
Feed Wholesale	Repealed	(5)	90.2	74	8.9
Retail	5.6%	161,649,188	5.3	477,448,745	3.2
Mining Severance	2.5%	40,504	722.1	255,283	129.8
Timber Severance	\$2.13/\$1.51 per 1000 board ft	(116)	N/A	0	N/A
Hotel/Motel	5.5%	5,512,450	(2.1)	17,502,596	(4.1)
Membership Camping	5.6%	3,490	(73.1)	13,715	(48.6)
Use/Use Inventory	5.6%	17,062,123	18.0	46,620,778	4.6
Rental Occupancy Tax	3.0%	9,306	(8.7)	26,048	(23.7)
Jet Fuel Tax	\$.0305/\$.0105 gal	466,787	47.2	1,435,737	35.2
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	509,269	(5.4)	1,526,265	(6.1)
Poison Control Fund	----	188,360	(5.4)	564,509	(6.1)
911 Wireline/Excise	\$0.37 monthly per activated service	1,298,927	4.6	3,663,203	9.5
911 Wireless Service	\$0.37 monthly per activated service	621,197	(6.7)	2,058,208	28.3
<b>Total</b>		<b>\$319,207,851</b>	<b>2.5</b>	<b>\$960,398,502</b>	<b>1.5</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>September 2002</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$4,582,835	265.0	\$14,232,414	4.4
Non-Metal Mining/Oil & Gas	18,345,535	2.3	60,793,209	6.9
Utilities	615,256,057	2.2	1,814,976,458	2.9
Communications	225,911,194	(3.3)	751,852,233	7.7
Railroads/Aircraft	(8,498,930)	N/A	(52,771,211)	N/A
Private Car/Pipelines	712,904	72.9	2,553,337	43.2
Publishing	10,836,748	(1.1)	34,858,306	3.1
Printing	31,715,707	(1.7)	159,917,244	75.3
Restaurants/Bars	488,033,841	1.0	1,514,086,567	2.0
Amusements	53,642,300	12.9	172,394,641	1.5
Commercial Lease	1,534,343	(53.8)	(1,600,921)	N/A
Rental of Personal Property	249,908,643	(10.5)	805,287,461	(9.3)
Contracting	952,959,515	(3.8)	2,930,401,506	(3.7)
Feed Wholesale	(1,053)	N/A	15,699	8.9
Retail	3,232,983,765	5.3	9,548,974,902	3.2
Mining Severance	1,620,154	722.1	10,211,303	129.8
Timber Severance	0	N/A	0	N/A
Hotel/Motel	100,226,357	(2.1)	318,229,011	(4.1)
Membership Camping	69,792	(73.1)	274,308	(48.6)
Use/Use Inventory	341,106,851	19.2	930,752,311	5.0
Rental Occupancy Tax	310,215	(8.7)	868,265	(23.7)
Agriculture Equipment	0	N/A	0	N/A
<b>Total</b>	<b>\$6,321,256,770</b>	<b>2.5</b>	<b>\$19,016,907,043</b>	<b>1.4</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In September 2002, 15,526,799 gallons of jet fuel were taxed, a 0.8% increase from the 15,401,041 reported for September 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in September 2002 was \$1,321,403 a 1.6% decrease from the \$1,343,300 claimed in September 2001. Accounting credits claimed-to-date in FY 02/03 equals \$4,165,633 a 1.0% increase from the \$4,123,447 claimed during the same period in FY 01/02.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>September 2002</u></b>	<b><u>September 2001</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$171,812,713	\$163,331,537	5.2
5311-5399	general merchandise stores	234,975,428	294,621,767	(20.2)
5411-5499	food stores (no food sales)	232,611,003	232,130,513	0.2
5511-5521	motor vehicle dealers	713,332,521	650,323,329	9.7
5531-5599	misc. automotive, motorcycle & boat stores	176,102,252	156,894,769	12.2
5611-5699	apparel & accessory stores	175,217,242	176,132,092	(0.5)
5712-5733	furniture, home furnishings & equipment stores	147,793,397	157,303,646	(6.0)
5912-5949	misc. retail stores	189,170,556	182,281,116	3.8
<b>TOTAL</b>		<b>\$3,232,983,765</b>	<b>\$3,070,322,685</b>	<b>5.3</b>

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>Fiscal Year 2003</u></b>	<b><u>Fiscal Year 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$583,682,450	\$537,042,494	8.7
5311-5399	general merchandise stores	724,982,016	859,170,640	(15.6)
5411-5499	food stores (no food sales)	735,663,327	695,951,844	5.7
5511-5521	motor vehicle dealers	1,947,883,344	1,877,746,405	3.7
5531-5599	misc. automotive, motorcycle & boat stores	515,071,635	510,921,325	0.8
5611-5699	apparel & accessory stores	560,491,669	535,616,691	4.6
5712-5733	furniture, home furnishings & equipment stores	470,392,913	470,160,373	0.0
5912-5949	misc. retail stores	569,463,832	567,348,960	0.4
<b>TOTAL</b>		<b>\$9,548,974,902</b>	<b>\$9,257,203,540</b>	<b>3.2</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for September 2002 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$260,500	\$319,219	0.8	\$966,991	1.8
Cochise	1,497,381	746,836	1.8	2,244,930	2.2
Coconino	3,200,053	1,230,221	3.0	3,778,115	0.9
Gila	722,468	339,140	0.8	1,020,112	(2.4)
Graham	320,110	191,822	0.5	585,556	(0.5)
Greenlee	170,498	141,704	0.3	455,696	(8.0)
La Paz	225,675	120,170	0.3	368,134	3.8
Maricopa	67,318,356	26,252,614	63.5	79,474,626	1.1
Mohave	2,801,570	1,144,788	2.8	3,407,824	5.8
Navajo	2,017,941	769,659	1.9	2,140,676	3.5
Pima	15,674,854	6,313,596	15.3	18,916,629	1.5
Pinal	1,910,149	1,066,863	2.6	3,203,490	5.5
Santa Cruz	622,916	269,663	0.7	800,065	1.4
Yavapai	3,282,743	1,409,939	3.4	4,178,005	2.1
Yuma	1,971,331	1,002,564	2.4	3,032,002	4.6
<b>Total</b>	<b>\$101,996,545</b>	<b>\$41,318,800</b>		<b>\$124,572,852</b>	<b>1.5</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for September 2002 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during September 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$87,409							
Cochise		\$439,248							
Coconino		\$896,766	\$537,842						
Gila	\$229,991	\$225,158							
Graham		\$97,694							
Greenlee		\$52,308							
La Paz		\$67,026	\$67,026						
Maricopa	\$21,651,313		\$8,036,712	\$437,362	\$2,538				\$852,316
Mohave		\$416,946							
Navajo		\$593,675							
Pima				\$106,917		\$8,432			
Pinal	\$648,047	\$635,432							
Santa Cruz		\$177,844							
Yavapai		\$985,131	\$393,087						
Yuma		\$579,827	\$579,755					\$578,138	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in September 2002. The table compares the receipts to September 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>September 2002</b>	<b>September 2001</b>	<b>% Change</b>
Spirituous	\$1,600,363	\$1,597,118	0.2
Vinous	678,538	507,258	33.8
Malt	1,832,490	2,111,635	(13.2)
Cigarette	16,106,816	15,970,566	0.9
Other Tobacco	407,688	264,838	53.9
Tobacco Licenses	175	200	(12.5)
<b>Total</b>	<b>\$20,626,070</b>	<b>\$20,451,614</b>	<b>0.9</b>

  

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% Change</b>
Spirituous	\$4,661,829	\$4,664,043	(0.1)
Vinous	1,851,510	1,589,775	16.5
Malt	5,552,576	5,428,840	2.3
Cigarette*	40,195,487	40,876,348	(1.7)
Other Tobacco	1,005,996	947,657	6.2
Tobacco Licenses	1,475	1,250	18.0
<b>Total</b>	<b>\$53,268,873</b>	<b>\$53,507,913</b>	<b>(0.4)</b>

\*Through September 2002, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>September 2002</b>	<b>FY (02/03)</b>
Spirituous	\$1,120,254	\$3,263,280
Vinous	169,233	461,647
Malt	458,122	1,388,144
Cigarette	4,435,621	11,156,226
Other Tobacco	63,192	155,929
Tobacco Licenses	175	1,475
<b>Total</b>	<b>\$6,246,597</b>	<b>\$16,426,701</b>

### **Other dedicated revenues from luxury taxes:**

	<b>September 2002</b>	<b>FY (02/03)</b>
Correction Fund revenues	\$2,192,427	\$6,182,404
Health Care Fund revenues	11,398,048	28,338,872
Wine Promotional Fund revenues	1,606	4,923
Drug Treatment & Education Fund revenues	563,721	1,658,177
Corrections Revolving Fund revenues	223,670	657,796

**Estate Tax**

	September 2002	\$6,944,037	Fiscal year To Date	\$17,912,454
	September 2001	<u>\$5,287,007</u>	Fiscal year To Date	<u>\$18,897,716</u>
% Change		31.3%	% Change	(5.2%)

**Private Car**

	September 2002	\$0	Fiscal year To Date	\$0
	September 2001	<u>\$0</u>	Fiscal year To Date	<u>\$0</u>
% Change		N/A	% Change	N/A

**Bingo**

	September 2002	\$38,848	Fiscal year To Date	\$148,421
	September 2001	<u>\$31,331</u>	Fiscal year To Date	<u>\$151,714</u>
% Change		24.0%	% Change	(2.2%)

**Unclaimed Property**

	September 2002	\$1,083,002	Fiscal year To Date	\$1,972,399
	September 2001	<u>(\$78,998)</u>	Fiscal year To Date	<u>\$760,159</u>
% Change		N/A	% Change	159.5%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2002 for Tax Year 2001**  
**Through September 2002**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,787	0.8%	-\$18,583	-\$8	20.0%	71.9%	5.2%	2.9%	14.3%	12.3%
<b>\$0-\$5,000</b>	<b>50,077</b>	<b>21.8%</b>	<b>\$2,730</b>	<b>\$0</b>	<b>4.2%</b>	<b>83.9%</b>	<b>10.9%</b>	<b>1.0%</b>	<b>3.9%</b>	<b>15.6%</b>
\$5,000-\$10,000	49,132	21.4%	\$7,390	\$24	8.4%	69.8%	20.4%	1.4%	6.7%	28.4%
<b>\$10,000-\$15,000</b>	<b>34,865</b>	<b>15.2%</b>	<b>\$12,356</b>	<b>\$86</b>	<b>15.9%</b>	<b>53.3%</b>	<b>28.8%</b>	<b>2.0%</b>	<b>9.4%</b>	<b>40.8%</b>
\$15,000-\$20,000	25,664	11.2%	\$17,348	\$161	22.4%	45.0%	29.9%	2.7%	9.6%	45.2%
<b>\$20,000-\$25,000</b>	<b>17,185</b>	<b>7.5%</b>	<b>\$22,338</b>	<b>\$262</b>	<b>27.2%</b>	<b>40.0%</b>	<b>29.3%</b>	<b>3.5%</b>	<b>7.8%</b>	<b>48.6%</b>
\$25,000-\$30,000	11,659	5.1%	\$27,340	\$398	30.1%	40.8%	24.7%	4.4%	7.6%	45.4%
<b>\$30,000-\$40,000</b>	<b>14,235</b>	<b>6.2%</b>	<b>\$34,531</b>	<b>\$570</b>	<b>37.4%</b>	<b>38.1%</b>	<b>20.3%</b>	<b>4.2%</b>	<b>8.6%</b>	<b>44.1%</b>
\$40,000-\$50,000	8,289	3.6%	\$44,595	\$803	47.4%	33.4%	15.6%	3.5%	10.9%	43.8%
<b>\$50,000-\$75,000</b>	<b>10,155</b>	<b>4.4%</b>	<b>\$60,235</b>	<b>\$1,178</b>	<b>61.7%</b>	<b>25.9%</b>	<b>9.9%</b>	<b>2.4%</b>	<b>13.4%</b>	<b>45.4%</b>
\$75,000-\$100,000	3,581	1.6%	\$85,406	\$1,870	71.1%	20.2%	6.6%	2.1%	15.1%	44.8%
<b>\$100,000-\$200,000</b>	<b>2,789</b>	<b>1.2%</b>	<b>\$130,463</b>	<b>\$3,388</b>	<b>73.1%</b>	<b>19.7%</b>	<b>5.5%</b>	<b>1.7%</b>	<b>17.1%</b>	<b>40.7%</b>
\$200,000-\$500,000	502	0.2%	\$285,305	\$9,877	71.2%	20.9%	6.0%	2.0%	20.3%	37.6%
<b>\$500,000-\$1,000,000</b>	<b>62</b>	<b>0.0%</b>	<b>\$665,377</b>	<b>\$27,400</b>	<b>57.1%</b>	<b>30.2%</b>	<b>7.9%</b>	<b>4.8%</b>	<b>23.8%</b>	<b>22.2%</b>
\$1,000,000 and over	39	0.0%	\$2,618,624	\$127,349	55.8%	25.6%	11.6%	7.0%	25.6%	30.2%
<b>Total</b>	<b>230,021</b>		<b>\$193,452</b>	<b>\$313</b>	<b>20.4%</b>	<b>57.1%</b>	<b>20.4%</b>	<b>2.2%</b>	<b>7.9%</b>	<b>34.4%</b>

**NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000**

<b>Total</b>	<b>239,848</b>		<b>\$19,759</b>	<b>\$353</b>	<b>18.8%</b>	<b>59.7%</b>	<b>19.2%</b>	<b>2.3%</b>	<b>7.5%</b>	<b>31.4%</b>
--------------	----------------	--	-----------------	--------------	--------------	--------------	--------------	-------------	-------------	--------------

“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**September 2002**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,798,004	202,705
Eagar	\$35,773	4,033	Surprise	273,623	30,848
Springerville	17,492	1,972	Tempe	1,407,012	158,625
St. Johns	28,996	3,269	Tolleson	44,120	4,974
<b><u>Cochise County</u></b>			Wickenburg	45,078	5,082
Benson	41,787	4,711	Youngtown	26,699	3,010
Bisbee	54,019	6,090	<b><u>Mohave County</u></b>		
Douglas	126,948	14,312	Bullhead City	299,533	33,769
Huachuca City	15,531	1,751	Colorado City	29,573	3,334
Sierra Vista	335,066	37,775	Kingman	178,013	20,069
Tombstone	13,341	1,504	Lake Havasu City	371,992	41,938
Willcox	33,112	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	43,614	4,917
Flagstaff	469,173	52,894	Pinetop-Lakeside	31,773	3,582
Fredonia	9,189	1,036	Show Low	68,255	7,695
Page	60,396	6,809	Snowflake	39,560	4,460
Williams	25,209	2,842	Taylor	28,171	3,176
<b><u>Gila County</u></b>			Winslow	84,443	9,520
Globe	66,401	7,486	<b><u>Pima County</u></b>		
Hayden	7,912	892	Marana	120,242	13,556
Miami	17,172	1,936	Oro Valley	263,441	29,700
Payson	120,810	13,620	Sahuarita	28,757	3,242
Winkelman	3,929	443	South Tucson	48,697	5,490
<b><u>Graham County</u></b>			Tucson	4,317,046	486,699
Pima	17,643	1,989	<b><u>Pinal County</u></b>		
Safford	81,888	9,232	Apache Junction	282,192	31,814
Thatcher	35,675	4,022	Casa Grande	223,738	25,224
<b><u>Greenlee County</u></b>			Coolidge	69,062	7,786
Clifton	23,027	2,596	Eloy	92,027	10,375
Duncan	7,202	812	Florence	130,574	14,446
<b><u>La Paz County</u></b>			Kearny	19,949	2,249
Parker	27,852	3,140	Mammoth	15,629	1,762
Quartzsite	29,750	3,354	Superior	28,863	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	318,284	35,883	Nogales	185,189	20,878
Buckeye	75,369	8,497	Patagonia	7,815	881
Carefree	25,963	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	33,068	3,728	Camp Verde	83,831	9,451
Chandler	1,566,283	176,581	Chino Valley	69,497	7,835
El Mirage	67,492	7,609	Clarkdale	30,353	3,422
Fountain Hills	179,486	20,235	Cottonwood	81,418	9,179
Gila Bend	17,563	1,980	Jerome	2,918	329
Gilbert	973,018	109,697	Prescott	301,032	33,938
Glendale	1,940,874	218,812	Prescott Valley	208,757	23,535
Goodyear	167,742	18,911	Sedona	90,404	10,192
Guadalupe	46,373	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	33,795	3,810	San Luis	135,907	15,322
Mesa	3,515,867	396,375	Somerton	64,450	7,266
Paradise Valley	121,200	13,664	Wellton	16,223	1,829
Peoria	961,194	108,364	Yuma	687,562	77,515
Phoenix	11,717,739	1,321,045			
Queen Creek	38,283	4,316	<b>TOTAL</b>	<b>\$35,879,921</b>	<b>4,044,788</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**September 2002**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,277,886	202,705
Eagar	\$25,425	4,033	Surprise	194,471	30,848
Springerville	12,432	1,972	Tempe	999,998	158,625
St. Johns	20,608	3,269	Tolleson	31,357	4,974
<b><u>Cochise County</u></b>			Wickenburg	32,038	5,082
Benson	29,699	4,711	Youngtown	18,976	3,010
Bisbee	38,392	6,090	<b><u>Mohave County</u></b>		
Douglas	90,225	14,312	Bullhead City	212,885	33,769
Huachuca City	11,039	1,751	Colorado City	21,018	3,334
Sierra Vista	238,140	37,775	Kingman	126,518	20,069
Tombstone	9,481	1,504	Lake Havasu City	264,384	41,938
Willcox	23,533	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	30,998	4,917
Flagstaff	333,452	52,894	Pinetop/Lakeside	22,582	3,582
Fredonia	6,531	1,036	Show Low	48,511	7,695
Page	42,925	6,809	Snowflake	28,117	4,460
Williams	17,916	2,842	Taylor	20,022	3,176
<b><u>Gila County</u></b>			Winslow	60,016	9,520
Globe	47,193	7,486	<b><u>Pima County</u></b>		
Hayden	5,623	892	Marana	85,459	13,556
Miami	12,205	1,936	Oro Valley	187,234	29,700
Payson	85,863	13,620	Sahuarita	20,438	3,242
Winkelman	2,793	443	South Tucson	34,610	5,490
<b><u>Graham County</u></b>			Tucson	3,068,231	486,699
Pima	12,539	1,989	<b><u>Pinal County</u></b>		
Safford	58,200	9,232	Apache Junction	200,561	31,814
Thatcher	25,355	4,022	Casa Grande	159,016	25,224
<b><u>Greenlee County</u></b>			Coolidge	49,084	7,786
Clifton	16,366	2,596	Eloy	65,406	10,375
Duncan	5,119	812	Florence	91,196	14,446
<b><u>La Paz County</u></b>			Kearny	14,178	2,249
Parker	19,795	3,140	Mammoth	11,108	1,762
Quartzsite	21,144	3,354	Superior	20,514	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	226,212	35,883	Nogales	131,618	20,878
Buckeye	53,566	8,497	Patagonia	5,554	881
Carefree	18,452	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	23,502	3,728	Camp Verde	59,581	9,451
Chandler	1,113,196	176,581	Chino Valley	49,393	7,835
El Mirage	47,968	7,609	Clarkdale	21,573	3,422
Fountain Hills	127,565	20,235	Cottonwood	57,866	9,179
Gila Bend	12,482	1,980	Jerome	2,074	329
Gilbert	691,548	109,697	Prescott	213,951	33,938
Glendale	1,379,427	218,812	Prescott Valley	148,369	23,535
Goodyear	119,218	18,911	Sedona	64,252	10,192
Guadalupe	32,958	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	24,019	3,810	San Luis	96,592	15,322
Mesa	2,498,813	396,375	Somerton	45,806	7,266
Paradise Valley	86,140	13,664	Wellton	11,530	1,829
Peoria	683,145	108,364	Yuma	488,667	77,515
Phoenix	8,328,085	1,321,045	<b>TOTAL</b>	<b>\$25,499,136</b>	<b>4,044,808</b>
Queen Creek	27,209	4,316			

*The Office of Economic Research & Analysis  
Arizona Department of Revenue  
1600 W. Monroe  
Phoenix, AZ 85007*